

**Representative Jack McFarland**  
**Chairman**



**Representative Jason Hughes**  
**Vice Chairman**

# **Fiscal Year 2026 Executive Budget Review**

## **DEPARTMENT OF INSURANCE**

**House Committee on Appropriations**  
**House Fiscal Division**

**March 31, 2025**

**Budget Analyst: Abigail Chascin**

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This presentation was produced by the House Fiscal Division of the Louisiana House of Representatives.

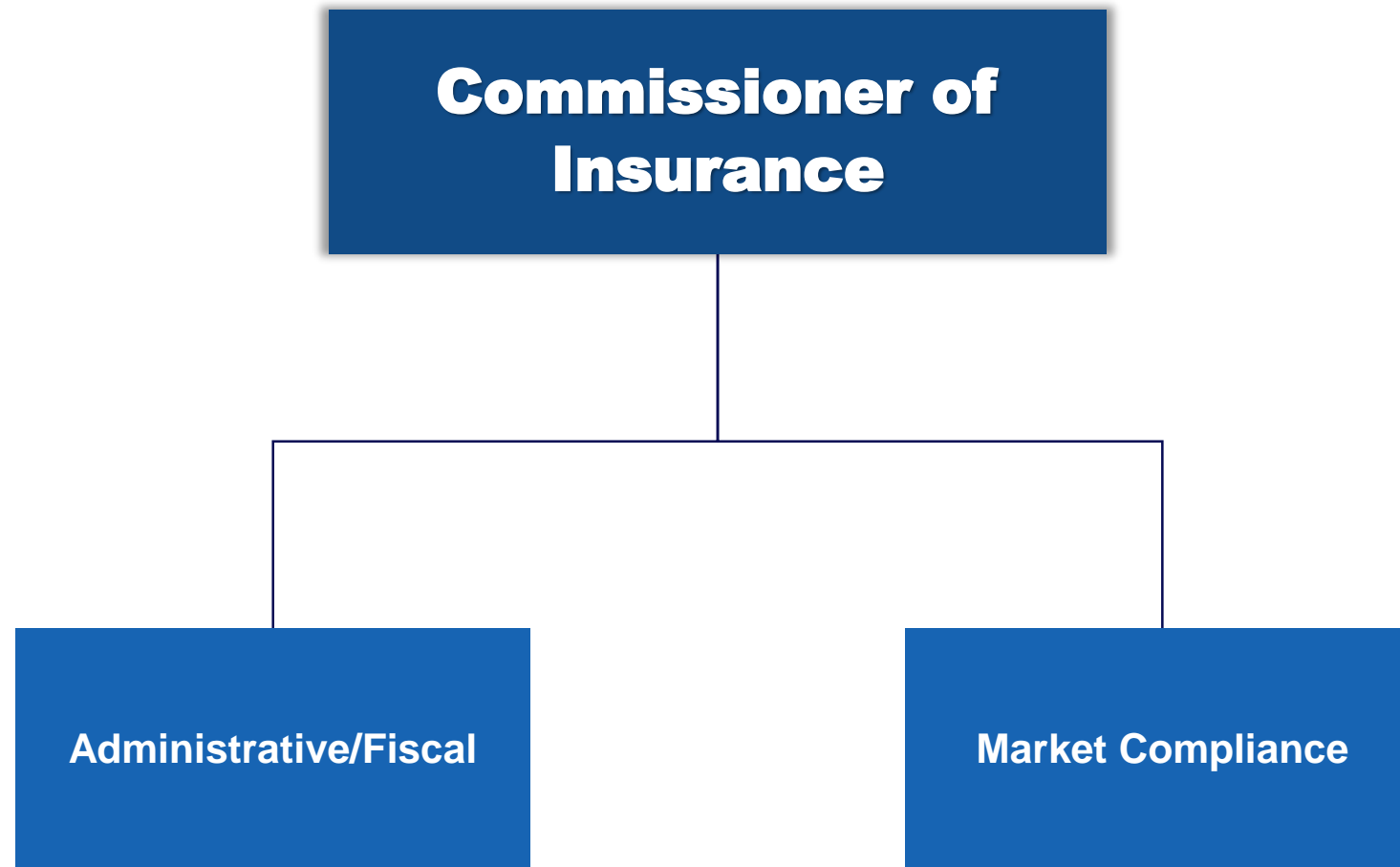
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Baton Rouge, LA 70802  
[house.louisiana.gov/housefiscal/](https://house.louisiana.gov/housefiscal/)

All data and figures were obtained from the governor’s Fiscal Year 2025-2026 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2025 Regular Session, unless otherwise noted.

<https://www.doa.la.gov/doa/opb/budget-documents/>

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# DEPARTMENT ORGANIZATION



*Note: Further detail on department programs, functions, and services are under the General Department Information section.*

# FY 26 BUDGET RECOMMENDATION

Total Funding = \$56,829,239

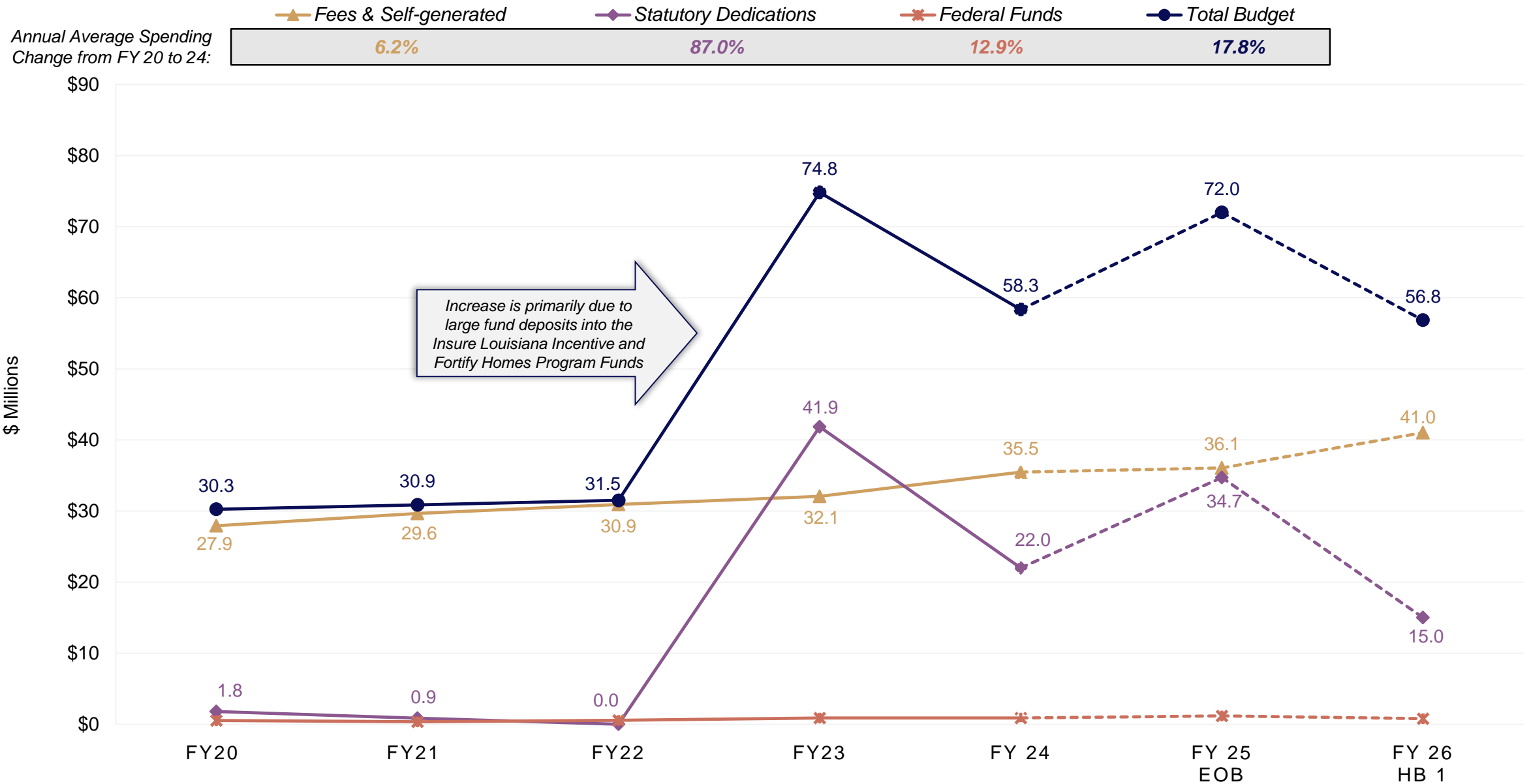
Means of Finance		
State General Fund	\$	0
Interagency Transfers		0
Fees & Self-generated		41,029,239
Statutory Dedications		15,000,000
Federal Funds		800,000
Total	\$	56,829,239



Program Funding & Authorized Positions			
		Amount	Positions
Administrative/Fiscal	\$	16,460,153	73
Market Compliance		40,369,086	159
Total	\$	56,829,239	232



# HISTORICAL SPENDING



# SOURCES OF FUNDING

Self-generated Revenue  \$41 M	Statutory Dedications  \$15 M	Federal Funds  \$800,000
<p>Revenues are derived from the following sources:</p> <ul style="list-style-type: none"><li>• \$36.9 M from various fees and licenses, assessments on various insurance policies written in the state</li><li>• \$2.9 M from the Insurance Fraud Investigation Dedicated Fund Account from an assessment on various insurance premiums written in Louisiana for fraud awareness, investigation and enforcement</li><li>• \$1.2 M from the Administrative Dedicated Fund Account from penalties and an assessment on health insurance premiums for the enforcement of Health Insurance Portability and Accountability Act (HIPAA) provisions in insurance regulation</li></ul>	<p>Funding is derived from the following statutorily dedicated fund:</p> <ul style="list-style-type: none"><li>• \$15 M from the Louisiana Fortify Homes Program Fund which provides grants of up to \$10,000 for homeowners to upgrade their roofs to industry standards to better withstand hurricane-force winds</li></ul>	<p>Federal funding is derived from the following source:</p> <p>U.S. Department of Health and Human Services Administration for the State Health Insurance Assistance Program for seniors</p>

# FUNDING COMPARISON

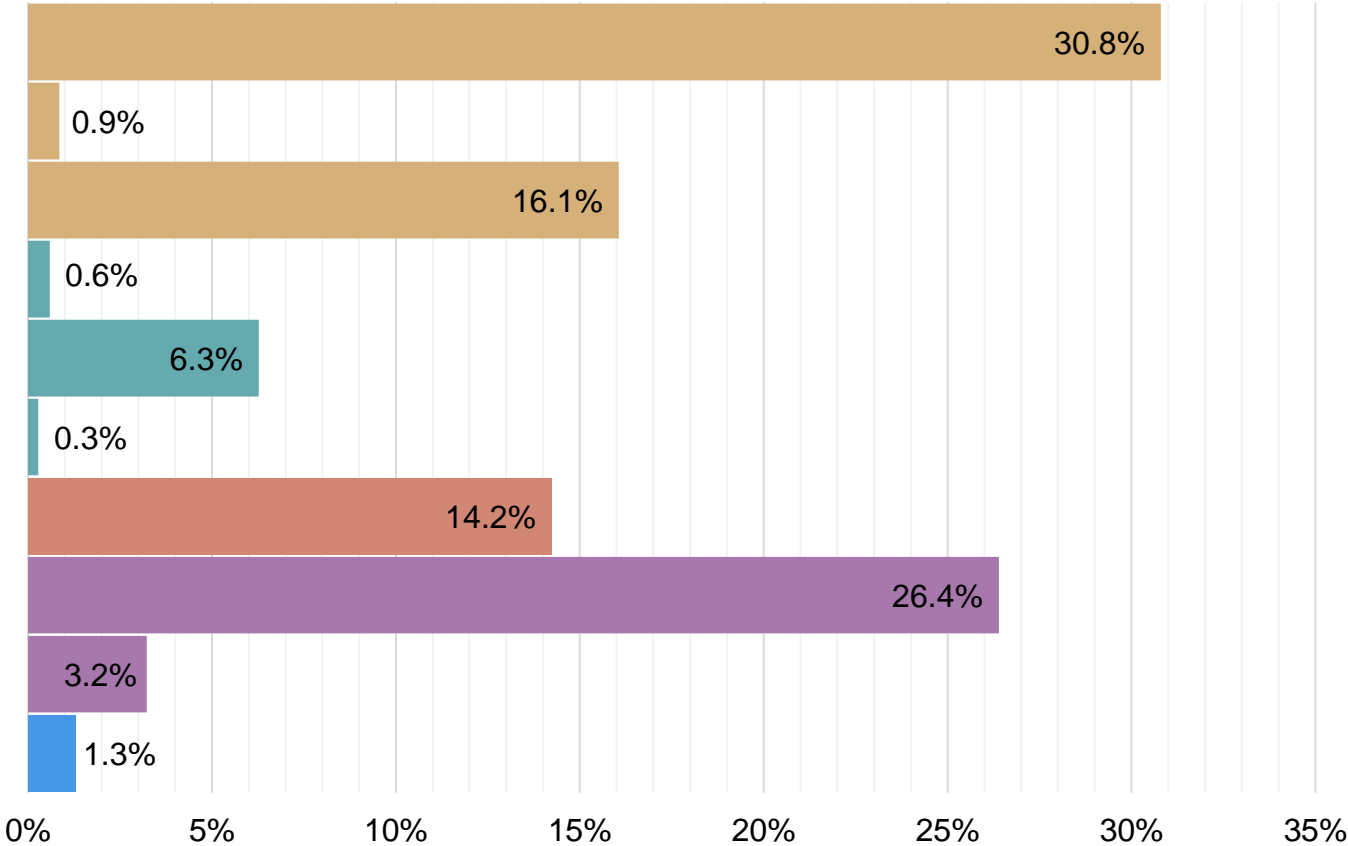
Means of Finance	FY 24 Actual Expenditures	FY 25 Existing Operating Budget 12/1/24	FY 26 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 0	\$ 0	\$ 0	\$ 0	0.0%	\$ 0	0.0%
IAT	0	0	0	0	0.0%	0	0.0%
FSGR	35,461,012	36,071,043	41,029,239	4,958,196	13.7%	5,568,227	15.7%
Stat Ded	22,007,628	34,709,164	15,000,000	(19,709,164)	(56.8%)	(7,007,628)	(31.8%)
Federal	877,581	1,195,671	800,000	(395,671)	(33.1%)	(77,581)	(8.8%)
<b>Total</b>	<b>\$ 58,346,221</b>	<b>\$ 71,975,878</b>	<b>\$ 56,829,239</b>	<b>\$ (15,146,639)</b>	<b>(21.0%)</b>	<b>\$ (1,516,982)</b>	<b>(2.6%)</b>

<i>Significant funding changes compared to the FY 25 Existing Operating Budget</i>		
Fees & Self-generated	Statutory Dedications	Federal Funds
<p>\$4.9 M net increase due to items such as:</p> <ul style="list-style-type: none"> <li>\$1.9 M increase in the Insurance Fraud Investigation Dedicated Fund Account</li> <li>\$1.7 M increase in the Market Compliance Program</li> <li>\$1.3 M increase in the Administrative/Fiscal Program</li> </ul>	<p>(\$19.7 M) decrease due to:</p> <ul style="list-style-type: none"> <li>(\$19.7 M) decrease in the Louisiana Fortify Homes Program Fund</li> </ul>	<p>(\$395,671) decrease due to:</p> <ul style="list-style-type: none"> <li>Reduction in the State Health Insurance Assistance Program (SHIP) to align with the base grant award amount</li> </ul>

# FY 26 EXPENDITURE RECOMMENDATION

Total Budget = \$56,829,239

Expenditure Category		
Salaries	\$	17,503,283
Other Compensation		484,702
Related Benefits		9,127,997
Travel		334,411
Operating Services		3,565,823
Supplies		158,424
Professional Services		8,095,230
Other Charges		15,000,000
Interagency Transfers		1,831,757
Acquisitions/Repairs		727,612
Total	\$	56,829,239





# EXPENDITURE COMPARISON

Expenditure Category	FY 24 Actual Expenditures	FY 25 Existing Operating Budget 12/1/24	FY 26 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 15,473,044	\$ 16,646,325	\$ 17,503,283	\$ 856,958	5.1%	\$ 2,030,239	13.1%
Other Compensation	294,993	484,702	484,702	0	0.0%	189,709	64.3%
Related Benefits	8,945,143	8,980,177	9,127,997	147,820	1.6%	182,854	2.0%
Travel	158,808	300,313	334,411	34,098	11.4%	175,603	110.6%
Operating Services	2,706,566	2,873,745	3,565,823	692,078	24.1%	859,257	31.7%
Supplies	103,377	143,424	158,424	15,000	10.5%	55,047	53.2%
Professional Services	3,138,229	5,120,446	8,095,230	2,974,784	58.1%	4,957,001	158.0%
Other Charges	22,184,782	34,709,164	15,000,000	(19,709,164)	(56.8%)	(7,184,782)	(32.4%)
Interagency Transfers	4,935,367	2,017,892	1,831,757	(186,135)	(9.2%)	(3,103,610)	(62.9%)
Acquisitions/Repairs	405,911	699,690	727,612	27,922	4.0%	321,701	79.3%
Total	\$ 58,346,220	\$ 71,975,878	\$ 56,829,239	\$ (15,146,639)	(21.0%)	\$ (1,516,981)	(2.6%)

# SIGNIFICANT EXPENDITURE CHANGES

*Compared to the FY 25 Existing Operating Budget*

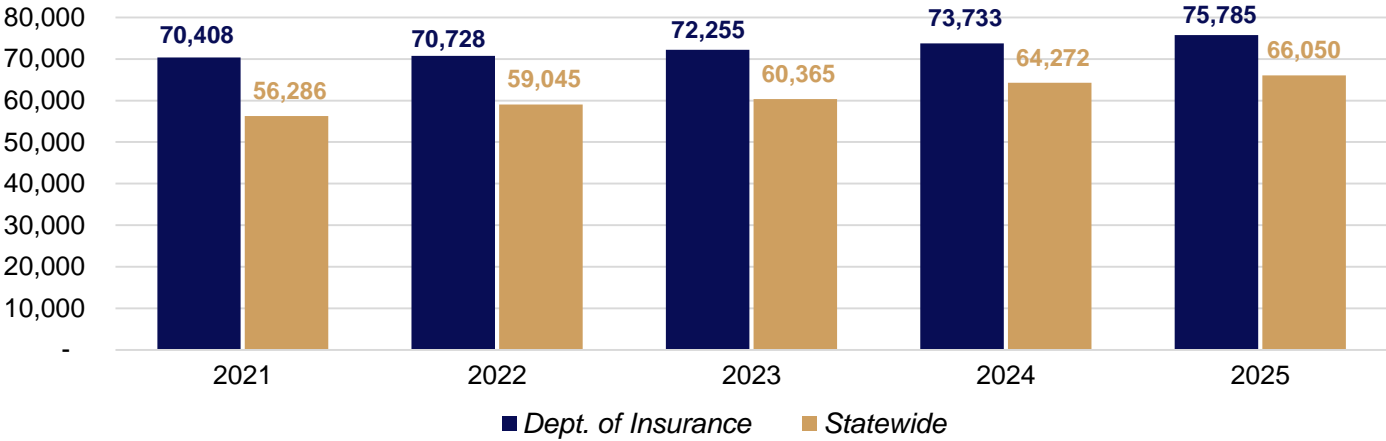
Personnel Services	Operating Expenses	Professional Services	Other Charges
<p>\$1 M net increase due to items such as:</p> <ul style="list-style-type: none"><li>• \$831,568 net increase for various standard statewide adjustments to align salaries and related benefits to projected FY 26 need</li><li>• \$107,702 increase for one new authorized position to serve as a lead over market conduct examinations</li><li>• \$65,508 increase for one new authorized position to handle increasing volume of payments for the Louisiana Fortify Homes Program</li></ul>	<p>\$741,176 net increase due to items such as:</p> <ul style="list-style-type: none"><li>• \$345,328 increase in cost for cell and internet services, annual membership dues, application maintenance, and software licenses</li><li>• \$190,750 increase to allow for increased employee attendance at various national / regional conferences, meetings, and training seminars</li><li>• \$139,098 increase for travel and supplies expenses related to the Insurance Fraud Investigation Fund Account and Act 340 of the 2024 R.S.</li><li>• \$66,000 increase for purchase of general office supplies</li></ul>	<p>\$3 M increase due to items such as:</p> <ul style="list-style-type: none"><li>• \$1 M increase for an actuarial analysis of auto premium rates and workers' compensation rates</li><li>• \$875,455 increase for AI support, cyber security, anti-fraud, and public awareness expenses related to the Insurance Fraud Investigation Fund Account and Act 340 of the 2024 R.S.</li><li>• \$400,000 increase for the selection of a base benchmark plan</li><li>• \$395,000 increase to provide reviews and performance analysis throughout the department</li><li>• \$350,000 increase to conduct multiple market conduct examinations</li><li>• \$200,000 increase for the development and implementation of artificial intelligence</li><li>• \$150,000 for advertising efforts for the Fortify Homes Program, Wind Mitigation Program, new LDI app, etc.</li></ul>	<p><b>(\$19.7 M)</b> decrease due to:</p> <p>Reduction in funding for the Fortify Homes Program to \$15 M based on the projected revenue available and expected expenditures in the current year</p>

# PERSONNEL INFORMATION

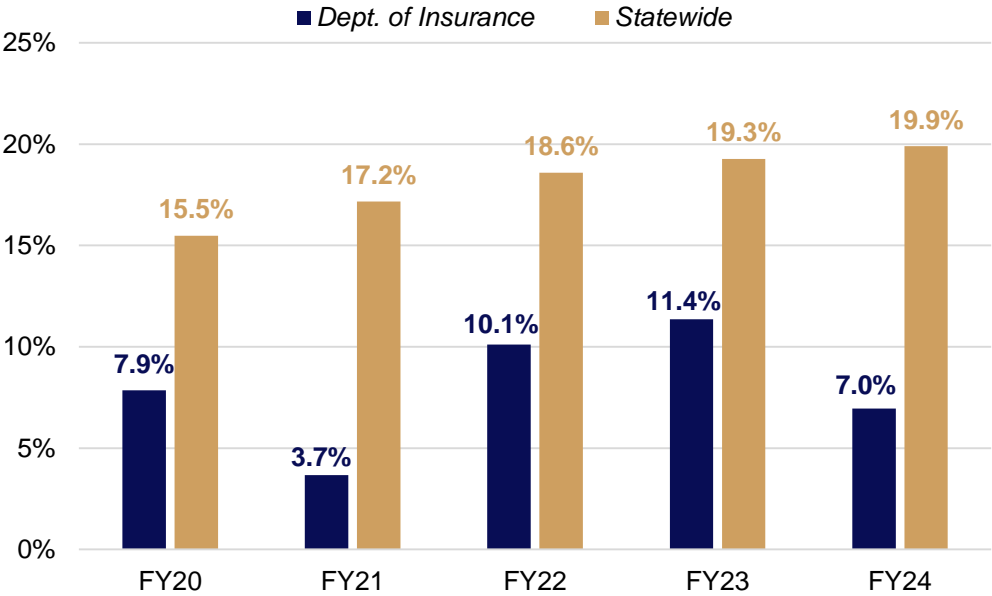
## FY 2026 Recommended Positions

232	Total Authorized T.O. Positions (205 Classified, 27 Unclassified)
0	Authorized Other Charges Positions
3	Non-T.O. FTE Positions
14	Vacant Positions (December 30, 2024)

## Historical Average Salary



## Turnover History



## Top Positions Vacated FY 2024

Position	Number of Employees	Separations	Turnover Rate
Insurance Specialist III	32	5	15.6%
Insurance Specialist II	23	2	8.7%
Compliance Investigator III	2	1	50.0%
Compliance Examiner III	8	1	12.5%

Source: Department of Civil Service

# DEPARTMENT CONTACTS



**Tim Temple**

*Commissioner of Insurance*

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**Barrow Peacock**

*Chief Deputy Commissioner*

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**Lance Herrin**

*Assistant Commissioner*

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# **General Department Information**



## Administrative/Fiscal Program

### Office of the Commissioner

- Oversees internal audits, public affairs, Consumer Advocacy and Diversity (including Senior Health Insurance Information Program) and the Office of Policy, Innovation and Research (created by Act 159 of the 2022 Regular Session)

### Office of Management and Finance:

- Oversees fiscal affairs, revenue services, information technology, human resources, administrative services, budget, purchasing, and strategic and operational planning



# DEPARTMENT OF INSURANCE

## Market Compliance Program

### Office of Licensing

- Oversees licensing and records of all producers, including life, health, property, and casualty insurance providers

### Office of Health, Life, and Annuity

- Regulates state and federal requirements applicable to commercial and government-operated health benefit plans, and reviews contract policy forms, and health premiums

### Office of Property and Casualty

- Reviews, approves and/or disapproves rates, and reviews forms for property and casualty insurance providers

### Division of Legal Services

Acts as legal counsel and enforcement arm of the department

### Office of Financial Solvency

- Analyzes and examines the financial conditions of all insurance providers approved to conduct business in the state, including life, health, property and casualty, and HMOs

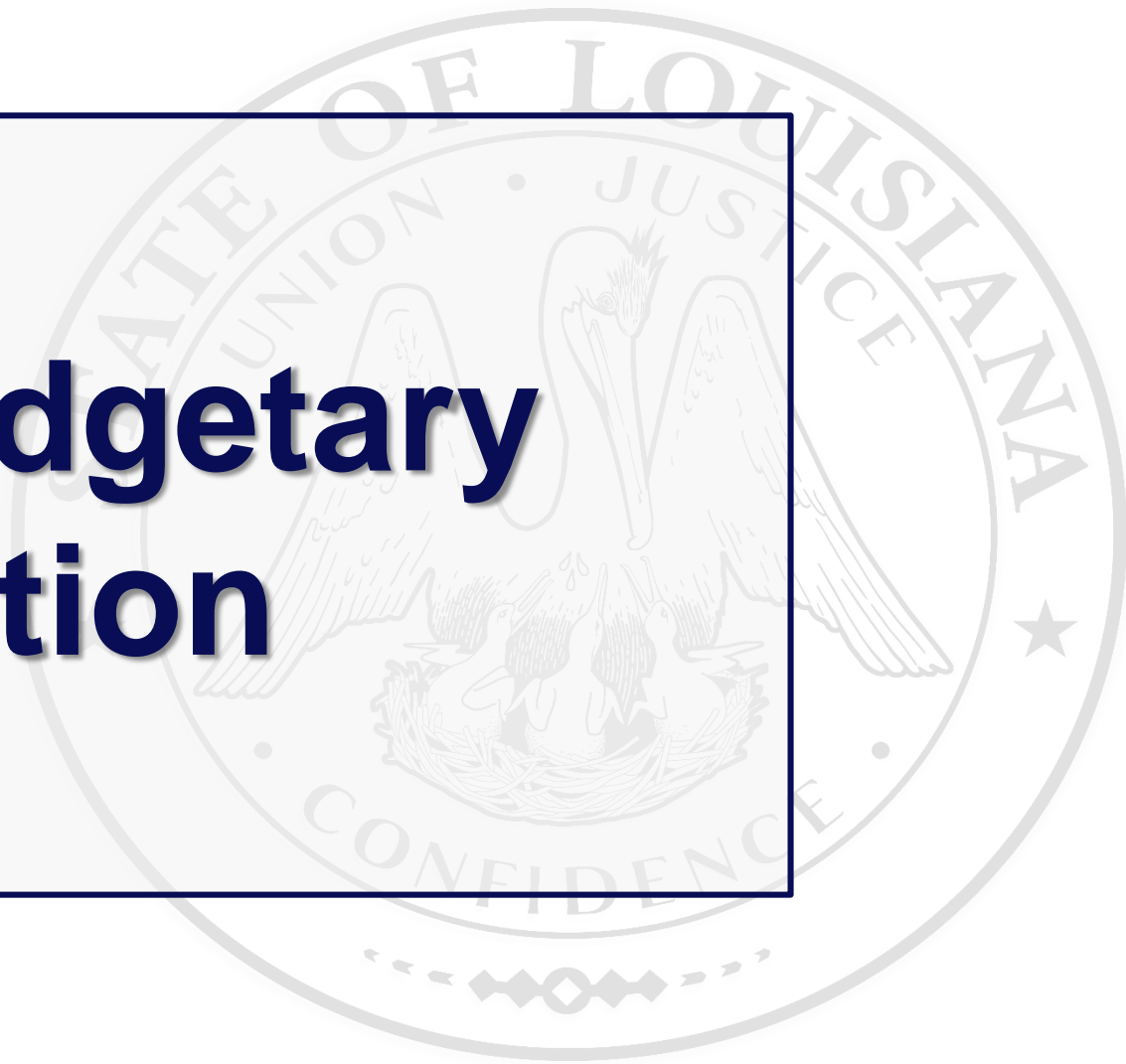
### Office of Consumer Services

- Performs market conduct examinations to assure policyholders, claimants, and beneficiaries are treated fairly, and handles all complaints for the department

### Division of Insurance Fraud

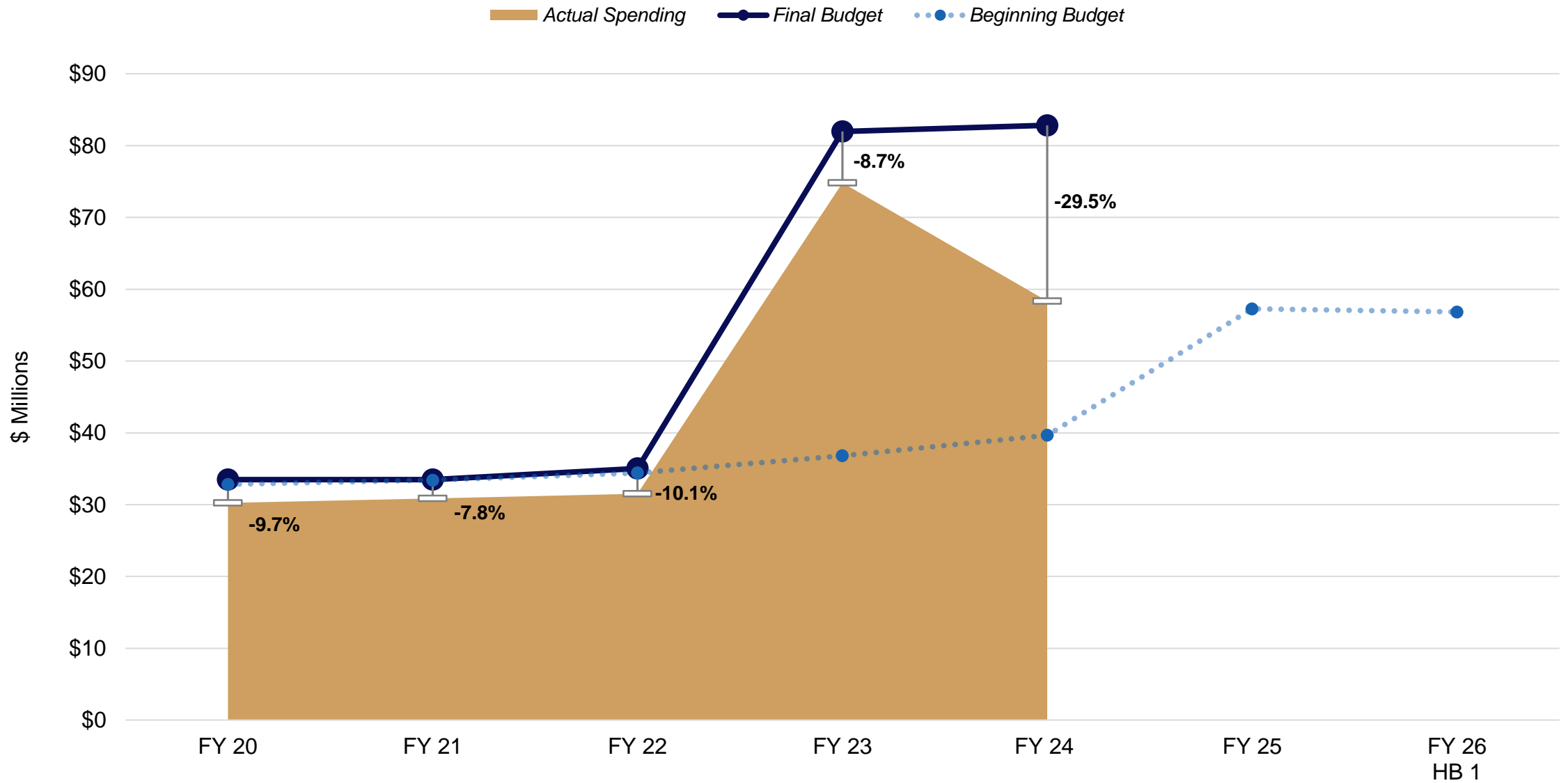
- Investigates alleged or suspected fraud committed by or upon insurance producers, brokers, and companies

# **General Budgetary Information**





# HISTORICAL BUDGET



# FY 25 EXISTING OPERATING BUDGET

The FY 2024-25 Existing Operating Budget (EOB) was frozen on December 1, 2024. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

Means of Finance	Appropriation	Mid-Year Adjustments	Existing Operating Budget
General Fund	\$ 0	\$ 0	\$ 0
Interagency Transfers	0	0	0
Self-generated Revenue	36,071,043	0	36,071,043
Statutory Dedications	20,000,000	14,709,164	34,709,164
Federal	1,195,671	0	1,195,671
Total	\$ 57,266,714	\$ 14,709,164	\$ 71,975,878

Mid-year Adjustments Summary				
July	August	September	October	November
No change	No change	No change	\$14.7 M  Increase in the Louisiana Fortify Homes Program Fund to align with the fund's remaining balance	No change

# OTHER CHARGES / INTERAGENCY TRANSFERS

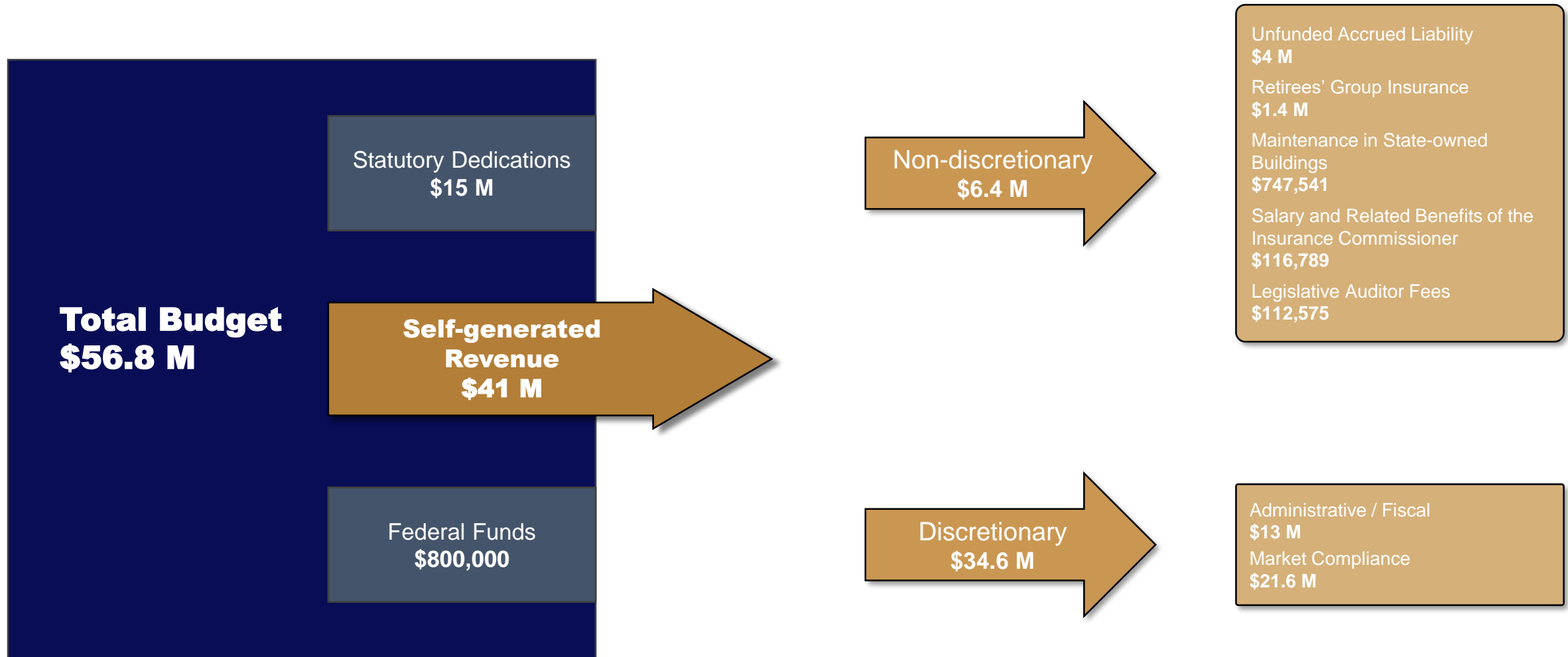
## Other Charges

Amount	Description
\$ 15,000,000	Louisiana Fortify Homes Program
<b>\$ 15,000,000</b>	<b>Total Other Charges</b>

## Interagency Transfers

Amount	Description
\$ 747,541	Maintenance of State-owned Buildings
443,413	DOA - risk management, procurement, telecommunication
196,132	Legal and auditing fees
128,983	Capitol Park Security
116,809	Civil Service, State Treasury, payroll, unemployment, and identification fees
104,970	Office of Technology Services
93,909	Advertising, printing, and postage
<b>\$ 1,831,757</b>	<b>Total Interagency Transfers</b>

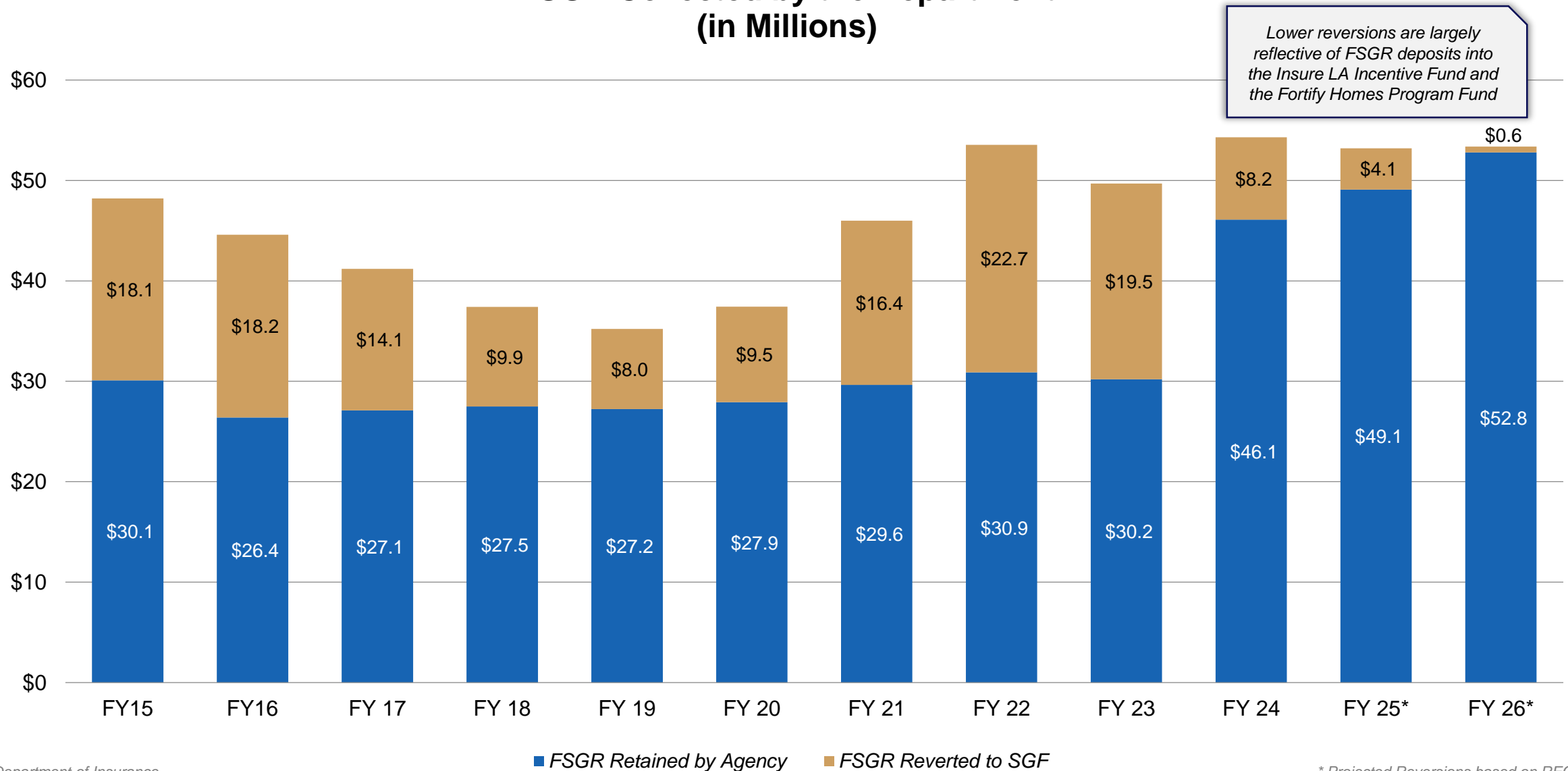
# DISCRETIONARY EXPENSES



\* Figures may not add precisely due to rounding

# SELF-GENERATED REVENUE REVERSIONS

FSGR Collected by the Department  
(in Millions)



Source: Department of Insurance

\* Projected Reversions based on REC forecasts

# FORTIFIED HOMES PROGRAM

- Created by Act 554 of the 2022 Regular Session
- “The commissioner, as program administrator, may make financial grants to retrofit roofs of insurable property, as defined in R.S. 22:1483(C)(9), with a homestead exemption to resist loss due to hurricane, tornado, or other catastrophic windstorm events and to meet or exceed the "fortified roof" standard of the Insurance Institute for Business and Home Safety.”
- \$15 M budgeted in the Louisiana Fortify Homes Program Fund for FY 26



Source: Department of Insurance

Parish	Total Grants (as of 3/6/25)
Orleans Parish	734
Jefferson Parish	651
Saint Tammany Parish	525
East Baton Rouge Parish	61
Saint Bernard Parish	52
Lafayette Parish	20
Saint Charles Parish	19
Plaquemines Parish	18
Tangipahoa Parish	17
Terrebonne Parish	16
Lafourche Parish	12
Livingston Parish	11
Saint John the Baptist Parish	9
Iberia Parish	7
Saint Mary Parish	7
Ascension Parish	5
Calcasieu Parish	5
Assumption Parish	4
Rapides Parish	4
Saint Landry Parish	4
Washington Parish	4
Acadia Parish	3
Vermilion Parish	2
Vernon Parish	2
Beauregard Parish	1
Bossier Parish	1
Concordia Parish	1
Iberville Parish	1
Morehouse Parish	1
Sabine Parish	1
St. Martin Parish	1
West Baton Rouge Parish	1
<b>Total</b>	<b>2,200</b>